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RUEHLP/AMEMBASSY LA PAZ PRIORITY 2034  
RUEHPE/AMEMBASSY LIMA PRIORITY 0270  
RUEHQH/AMEMBASSY QUITO PRIORITY 2114  
RUEHME/AMEMBASSY MEXICO PRIORITY 3783  
RUEHOT/AMEMBASSY OTTAWA PRIORITY 0727  
RUEHBU/AMEMBASSY BUENOS AIRES PRIORITY 1244  
RUEHSG/AMEMBASSY SANTIAGO PRIORITY 3546  
RUEHMU/AMEMBASSY MANAGUA PRIORITY 1232  
RUEHDG/AMEMBASSY SANTO DOMINGO PRIORITY 0203  
RUEHAO/AMCONSUL CURACAO PRIORITY 0828  
RUCNDT/USMISSION USUN NEW YORK PRIORITY 0231  
RUEHMI/USOFFICE FRC FT LAUDERDALE PRIORITY 3157  
RHEHNSC/NSC WASHDC PRIORITY  
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RUEHUB/USINT HAVANA PRIORITY 0732

C O N F I D E N T I A L SECTION 01 OF 03 CARACAS 001469

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HQSOUTHCOM ALSO FOR POLAD  
FOR FRC LAMBERT

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TAGS: PGOV PREL VE

SUBJECT: HOW CHAVEZ MANAGES PROBLEMS

REF: 05 CARACAS 01699

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Classified By: ACTING POLITICAL COUNSELOR MARK A. WELLS FOR 1.4 (D)

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Summary  
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¶1. (C) SEPTEL addresses the divisions within President Hugo Chavez' administration and the dissent among his support base. This cable shows that Chavez has sought with some success to deflect his administration's failures by blaming the USG, chastising his own subordinates, and holding rallies to task his government with wide-ranging plans of action. Chavez has encouraged a perception among his supporters that all their problems can be solved once he addresses them personally. This strategy, however, has made his resilience to public criticism unsustainable. He will inevitably take the blame for his government's failures if he remains in power over the long term. End Summary.

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The Root of All Evil: The Gringos  
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¶2. (SBU) Chavez successfully deflects scrutiny of his government's record by blaming others. Chavez' favorite method for dealing with problems in governance appears to be faulting the USG. No issue is too absurd to blame on Washington. Inconsistencies and factual inaccuracies in his accusations do not matter. Before he can be contradicted, he is on to another allegation. Even if it were in Post's interest to correct him each time (Comment: it is not), the volume of his charges would make it impossible. Hardly anything negative happens in Venezuela that is not the fault of "the Empire." Chavez even blames the weather on the USG.

In early 2005, Chavez blamed the 1999 landslides that claimed thousands of lives in Vargas State on countries who had not ratified the Kyoto Protocol. Never mind that Venezuela had not yet ratified it, either. When Hurricane Katrina struck in August 2005, Chavez attempted to distract the public from its own problems by claiming the USG failed to respond quickly. Never mind that the BRV still has not rebuilt from the 1999 Vargas disaster.

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Scapegoats and Enforcers  
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¶13. (U) Another tried-and-true Chavez strategy for dealing with BRV failures is to blame subordinates. Chavez has taken several of his ministers to task publicly. Most notably, Chavez berated former Housing Minister Julio Montes in August 2005 on his "Alo Presidente" program for failing to fulfill Chavez' promises to build public urban housing. Chavez, who often shuffles his cabinet with little explanation, removed Montes soon afterwards. Chavez' fault-finding sometimes benefits him politically. For instance, Chavez received positive feedback from the public when he chastised mayors Juan Barreto and Freddy Bernal for their public squabbling over pro-Chavez electoral candidates (REFTEL).

¶14. (C) Chavez has also delegated disciplinary actions within his party to prominent lieutenants. For instance, Chavez appears to have entrusted much MVR discipline to Communications Minister William Lara and Vice President Jose Vicente Rangel, who have treated party dissenters harshly. These officials' unpopular responsibilities as BRV enforcers raise the question of whether Chavez charged them with such roles to offset their positions of influence. Similarly, in September 2004, Chavez tapped the powerful Jesse Chacon to

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head the Interior Ministry, a position in which he stood to make enemies in the government. Indeed, Chacon has since butted heads with senior public officials such as Supreme Court Justice Luis Velazquez Alvaray and Attorney General Isaias Rodriguez. The Interior portfolio also puts Chacon in the thick of Venezuela's out-of-control crime problems, putting a brake on his popularity. Why Chavez would allow the popular Diosdado Cabello to take the Miranda State Governorship--where he could conceivably develop a power base--is unclear. Cabello has largely withdrawn from the national stage as he works on his state administration, which gets high marks even from the opposition. Yet, Pollster Alfredo Keller's surveys indicate Cabello's popularity declined gradually throughout 2005.

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Showing He's Got the Master Plan  
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¶15. (U) Chavez shows the public he is bringing his administration in line regularly by summoning senior federal and local leaders to watch him outline comprehensive plans and goals for governance. Plans such as Chavez' "New Strategic Map" and goals such as his "10 million votes" instantly become unquestioned priorities throughout his movement. Chavez' rallies to hail these new strategies help cement the impression that every initiative in the government is his own brainchild. To carry out his plans, Chavez breaks the chain of command by tasking trusted lieutenants at lower levels of government.

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If Chavez Only Knew, He'd Fix It  
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¶16. (SBU) The success of Chavez' finger-pointing is apparent. Snowed by Chavez' charisma, the Chavista faithful have refused to believe that their President could be to blame for their problems. Keller's surveys show the paradox

between Venezuelans' solid support for Chavez and their criticism of BRV performance on issues of most importance to Chavez' base of voters. Anecdotal examples of Chavez' ability to escape blame abound. For example, according to a pro-Chavez website, members of a government-sponsored cooperative in Bolivar State said they could not get support because Chavez was not aware of the BRV footdragging that vexed them. In their desire for justice from Chavez personally, some have even promoted Chavez-inspired myths. The Caracas leader of the armed group Tupamaros told the press he had information on Colombian paramilitary treachery that had to be taken directly to Chavez to protect the President from members of his entourage who would have him overthrown.

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Chavez Concerned About Divisions and Dissent  
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¶7. (C) Notwithstanding his deflection skills, Chavez is careful to protect his image as benefactor of the poor, while often failing to develop institutional solutions. Simon Bolivar University political science professor Friedrich Welsch, who has taught the President, told us in October 2005 that the largest component of the presidential offices at Miraflores was called the "follow-up" section. This section of more than 400 people worked to ensure that Chavez' promises were fulfilled and that individual requests sent to Miraflores were attended, Welsch said. He added that Miraflores, not government ministries, oversaw the social missions. While Chavez maintains control over the missions, he nevertheless pays lipservice to streamlining and cleaning

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up the bureaucracy.

¶8. (C) Chavez is not blind to the shortcomings of his diverse movement reported SEPTEL, either. The MVR's 2006 campaign strategy lists the need to increase the efficiency of ministries, legislators, parastatal industries, and state and local governments. The MVR campaign strategy also lists "internal disturbances" as an obstacle to the party. To protect himself, Chavez has surrounded himself with loyal officials. He ensures these officials' loyalty by allowing them access to kickbacks.

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Comment  
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¶9. (C) The "if Chavez only knew..." phenomenon has lasted for a long time, but logic suggests it cannot last indefinitely. We suspect Chavez enjoys a significant amount of fair-weather support that record-high oil prices have helped him maintain thus far. Also, Chavez' authoritarian leadership style punishes initiative, ensuring that his senior staff does not make a move without his blessing. By prizes loyalty over competence, Chavez guarantees continued mediocre performance from his subordinates. Thus, if Chavez manages to remain in power over the long run, his legacy among Venezuelans will suffer.

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